

EXHIBIT 1

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Attorneys for Defendants, Counterclaimants, and
Third Party Plaintiffs PCJV USA, LLC, PCI
TRADING LLC, POTATO CORNER, LA
GROUP, LLC, GK CAPITAL GROUP, LLC,
NKM CAPITAL GROUP, LLC and GUY
KOREN, and Defendants J & K AMERICANA,
LLC, J&K LAKEWOOD, LLC, J&K
OAKRIDGE, LLC, J&K VALLEY FAIR, LLC, J
& K ONTARIO, LLC, J&K PC TRUCKS, LLC,
HLK MILPITAS, LLC, and GK CERRITOS, LLC

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

SHAKEY'S PIZZA ASIA VENTURES,
INC, a Philippines corporation,

Plaintiff,

vs.

PCJV USA, LLC, a Delaware limited
liability company; PCI TRADING , LLC, a
Delaware limited liability company; GUY
KOREN, an individual; POTATO CORNER
LA GROUP, LLC, a California limited
liability company; NKM CAPITAL GROUP,
LLC, a California limited liability company;
J & K AMERICANA, LLC, a California
limited liability company; J&K
LAKEWOOD, LLC, a California limited
liability company; J&K VALLEY FAIR,
LLC, a California limited liability company;
J & K ONTARIO, LLC, a California limited
liability company; HLK MILPITAS, LLC, a
California, limited liability company; GK
CERRITOS, LLC, a California, limited
liability company; J&K PC TRUCKS, LLC,
a California limited liability company; and,
GK CAPITAL GROUP, LLC, a California

Case No. 2:24-CV-04546-SB(AGRx)

Hon. Stanley Blumenfeld, Jr.

**FEDERAL RULE OF CIVIL
PROCEDURE, RULE 26(A)(1)&(2)
DISCLOSURES OF
DEFENDANTS,
COUNTERCLAIMANTS, AND
THIRD PARTY PLAINTIFFS**

Complaint Filed: May 31, 2024
Trial Date: August 4, 2025

160850.00001/153302716v.1

limited liability company and DOES 1
through 100, inclusive,

Defendants.

PCJV USA, LLC, a Delaware limited
liability company; PCI TRADING LLC, a
Delaware limited liability company;
POTATO CORNER LA GROUP LLC, a
California limited liability company; GK
CAPITAL GROUP, LLC, a California
limited liability company; NKM CAPITAL
GROUP LLC, a California limited liability
company; and GUY KOREN, an individual,

Counter-Claimants,

v.

SHAKEY'S PIZZA ASIA VENTURES,
INC, a Philippines corporation,

Counter Defendant.

PCJV USA, LLC, a Delaware limited
liability company; PCI TRADING LLC, a
Delaware limited liability company;
POTATO CORNER LA GROUP LLC, a
California limited liability company; GK
CAPITAL GROUP, LLC, a California
limited liability company; NKM CAPITAL
GROUP LLC, a California limited liability
company; and GUY KOREN, an individual,

Third Party Plaintiffs,

v.

PC INTERNATIONAL PTE LTD., a
Singapore business entity; SPAVI
INTERNATIONAL USA, INC., a California
corporation; CINCO CORPORATION, a
Philippines corporation; and ROES 1 through
10, inclusive,

Third Party Defendants.

Pursuant to Federal Rule of Civil Procedure 26(a), subsections (1) & (2), Defendants PCJV USA, LLC (“PCJV”), PCI Trading LLC (“PCIT”), Guy Koren, Potato Corner LA Group, LLC, NKM Capital Group, LLC, J & K Americana, LLC, J&K Lakewood, LLC, J&K Valley Fair, LLC, J & K Ontario, LLC, HLK Milpitas, LLC, GK Cerritos, LLC, J & K PC Trucks, LLC, and GK Capital Group, LLC (collectively, “Defendants”) and Counter-Claimants and Third-Party Plaintiffs PCJV, PCIT, Guy Koren, Potato Corner LA Group, LLC, NKM Capital Group, LLC (collectively, “Counter-Claimants/Third-Party Plaintiffs”) hereby provide the following (a) confirmation of their initial disclosures, which reiterate prior disclosures in the parties’ joint Rule 26(f) report and preliminary injunction papers, and (b) expert disclosure. By making these disclosures, Defendants and Counter-Claimants/Third-Party Plaintiffs do not represent that they are identifying every document, tangible thing, or witness possibly relevant to this action. Defendants and Counter-Claimants/Third-Party Plaintiffs reserve all rights to supplement or amend these disclosures and to object to the production or admissibility of initially disclosed material, including on the grounds that such information is protected from disclosure by the attorney-client privilege, the attorney work product doctrine, or other applicable right or privilege.

I. INDIVIDUALS LIKELY TO HAVE DISCOVERABLE INFORMATION

Based on information reasonably available to them at this time, Defendants and Cross-Complainants/Third-Party Plaintiffs identify the following individuals who, in addition to the witnesses (and subject matters) disclosed in Plaintiff’s initial disclosures and/or who have filed declarations in this matter (where the subject of their testimony is disclosed therein), are likely to have discoverable information that might be used – other than solely for impeachment – to support causes of action or defenses. Defendants and Cross-Complainants/Third-Party Plaintiffs reserve the right to identify additional individuals.

NAME	ADDRESS/PHONE	SUBJECTS
Guy Koren	See Defense counsel	Intellectual property rights, including contractual rights, arising from Koren and his LA Group's joint venture with the Cinco Group, including Cinco Corporation, the parties' course of performance, written modifications, waivers, reliance and acquiescence, unclean hands, the prior state court litigation, including settlement and dismissals with prejudice; the breaches of and tortious interference with Defendants' contracts and relationships with Cinco Corporation and U.S. franchisees and resulting damages; the aiding and abetting of Cinco's breach of fiduciary duties; Defendants' consideration for entering into the joint venture, including brand equity and first continuous and exclusive use of the U.S. marks; Cross-Complainants/Third-Party Plaintiffs' damages; all the allegations in the operative pleadings, claims and defenses, including all facts relevant thereto
Alon Koren	See Defense counsel	Operations of PCJV and PCIT, including purchasing of supplies and interaction with franchisees
Erlinda "Lyndah" Bartolome	esbartolome@gmail.com ; lindabartolome@yahoo.com	Intellectual property rights, including contractual rights, arising from Koren and his LA Group's joint venture with the Cinco Group, including Cinco Corporation, the parties' course of performance, written modifications, waivers, reliance and acquiescence, unclean hands, the prior state court litigation, including settlement and dismissals with prejudice; the breaches of and tortious interference with Defendants' contracts and relationships with Cinco Corporation and U.S.

NAME	ADDRESS/PHONE	SUBJECTS
		franchisees and resulting damages; the aiding and abetting of Cinco's breach of fiduciary duties; Defendants' consideration for entering into the joint venture, including brand equity and first continuous and exclusive use of the U.S. marks; Cross-Complainants/Third-Party Plaintiffs' damages; all the allegations in the operative pleadings, claims and defenses, including all facts relevant thereto
Ashley Grudnowski	See Defense counsel	Operations of PCJV and PCIT, including branding and interaction with franchisees
Jose P. Magsaysay, Jr.	See Plaintiff's counsel	Intellectual property rights, including contractual rights, arising from Koren and his LA Group's joint venture with the Cinco Group, including Cinco Corporation, the parties' course of performance, written modifications, waivers, reliance and acquiescence, unclean hands, the prior state court litigation, including settlement and dismissals with prejudice; the breaches of and tortious interference with Defendants' contracts and relationships with U.S. franchisees and resulting damages; Cinco's breach of fiduciary duties; Defendants' consideration for entering into the joint venture, including brand equity; SPAVI's purchase agreement with and employment of Cinco related parties and hiring of attorneys, legal opinions and due diligence; Cinco's ill-gotten gains, including value attributable to U.S. IP; all the allegations in the operative pleadings, claims and defenses, including all facts relevant thereto
Vicente Gregorio	See Plaintiff's counsel	Intellectual property rights, including contractual rights, arising from Koren and his LA

NAME	ADDRESS/PHONE	SUBJECTS
		Group's joint venture with the Cinco Group, including Cinco Corporation, the parties' course of performance, written modifications, waivers, reliance and acquiescence, unclean hands, the prior state court litigation, including settlement and dismissals with prejudice; the breaches of and tortious interference with Defendants' contracts and relationships with U.S. franchisees and resulting damages; SPAVI's aiding and abetting of Cinco's breach of fiduciary duties; Defendants' consideration for entering into the joint venture, including brand equity; SPAVI's purchase agreement with and employment of Cinco related parties and hiring of attorneys, legal opinions and due diligence; Plaintiff's ill-gotten gains, including value attributable to U.S. IP; Plaintiff's efforts to open up a fast-food franchise that competes with Defendants; all the allegations in the operative pleadings, claims and defenses, including all facts relevant thereto
Each of the "Cinco Parties" as defined in the settlement agreement entered with Cinco, inclusive of Cinco Corporation, Potato Corner International, Inc., Highfive Corporation, Jose P. Magsaysay, Jr., Jose Miguel Ma. Montinola, Ricardo Enrique K. Montelibano, Ma. Victoria O. Bermejo, John Edward Hernandez, Chad	See Plaintiff's counsel	Intellectual property rights, including contractual rights, arising from Koren and his LA Group's joint venture with the Cinco Group, including Cinco Corporation, the parties' course of performance, written modifications, waivers, reliance and acquiescence, unclean hands, the prior state court litigation, including settlement and dismissals with prejudice; the breaches of and tortious interference with Defendants' contracts and relationships with U.S. franchisees and resulting damages; Cinco's breach of fiduciary duties; Defendants' consideration for entering into the joint venture, including brand equity; SPAVI's purchase

NAME	ADDRESS/PHONE	SUBJECTS
<p>Dominic Hernandez, Miguel Raymundo Hernandez, Myrose Victor, Marivic Del Pilar, Jose Marco Del Pilar, Dia Lacaba, Nicardo Falcis, Bernabe M. Hernandez, Alma Veronica Abcede, Maria Christina V. Dizon, Cesar T. Hernandez, Valens Capital Ventures Inc., and Clayderman Holdings Corporation</p>		<p>agreement with and employment of Cinco related parties and hiring of attorneys, legal opinions and due diligence; Cinco's ill-gotten gains, including value attributable to U.S. IP; all the allegations in the operative pleadings, claims and defenses, including all facts relevant thereto</p>
<p>Fed. R. Civ. Proc. 30(b)(6) witness of PCJV</p>		<p>Intellectual property rights, including contractual rights, arising from Koren and his LA Group's joint venture with the Cinco Group, including Cinco Corporation, the parties' course of performance, written modifications, waivers, reliance and acquiescence, unclean hands, the prior state court litigation, including settlement and dismissals with prejudice; the breaches of and tortious interference with Defendants' contracts and relationships with Cinco Corporation and U.S. franchisees and resulting damages; the aiding and abetting of Cinco's breach of fiduciary duties; Defendants' consideration for entering into the joint venture, including brand equity and first continuous and exclusive use of the U.S. marks; Cross-Complainants/Third-Party Plaintiffs' damages; all the allegations in the operative pleadings, claims and defenses, including all facts relevant thereto</p>

NAME	ADDRESS/PHONE	SUBJECTS
Fed. R. Civ. Proc. 30(b)(6) witness of PCIT		Operations of PCJV and PCIT, including purchasing of supplies and interaction with franchisees
Fed. R. Civ. Proc. 30(b)(6) witness of NKM Capital Group, LLC		Defendants' consideration for entering into the joint venture, including brand equity and first continuous and exclusive use of the U.S. marks
Fed. R. Civ. Proc. 30(b)(6) witness of Potato Corner LA Group, LLC		Damages
Individual owners or Fed. R. Civ. Proc. 30(b)(6) witnesses of all the U.S. franchisees and/or Potato Corner fast-food restaurants		Damages; communications with Cinco and/or SPAVI representatives
Fed. R. Civ. Proc. 30(b)(6) witness of SPAVI		Intellectual property rights, including contractual rights, arising from Koren and his LA Group's joint venture with the Cinco Group, including Cinco Corporation, the parties' course of performance, written modifications, waivers, reliance and acquiescence, unclean hands, the prior state court litigation, including settlement and dismissals with prejudice; the breaches of and tortious interference with Defendants' contracts and relationships with U.S. franchisees and resulting damages; SPAVI's aiding and abetting of Cinco's breach of fiduciary duties; Defendants' consideration for entering into the joint venture, including brand equity; SPAVI's purchase agreement with and employment of Cinco related parties and hiring of attorneys, legal opinions and due diligence, all the allegations in the operative pleadings, claims and defenses,

NAME	ADDRESS/PHONE	SUBJECTS
		including all facts relevant thereto
Fed. R. Civ. Proc. 30(b)(6) witness of Cinco Corp		Intellectual property rights, including contractual rights, arising from Koren and his LA Group's joint venture with the Cinco Group, including Cinco Corporation, the parties' course of performance, written modifications, waivers, reliance and acquiescence, unclean hands, the prior state court litigation, including settlement and dismissals with prejudice; the breaches of and tortious interference with Defendants' contracts and relationships with U.S. franchisees and resulting damages; Cinco's breach of fiduciary duties; Defendants' consideration for entering into the joint venture, including brand equity; SPAVI's purchase agreement with and employment of Cinco related parties and hiring of attorneys, legal opinions and due diligence, all the allegations in the operative pleadings, claims and defenses, including all facts relevant thereto
FRCP 30(b)(6) witness for Ferna Corporation		Claims of alleged trade secrets and trade secret protection; spices/seasonings; interference by SPAVI
Newly Weds Corporation		Claims of alleged trade secrets and trade secret protection; spices/seasonings; interference by SPAVI
Presently unidentified individuals employed by SPAVI		The decision to acquire the Potato Corner Intellectual Property from Cinco Corporation, due diligence and legal opinions in connection with that transaction, the contracts and communications between Cinco and SPAVI, the decisions relating to the U.S. franchise, including the use of litigation and self-help tactics.

1 **II. DOCUMENTS AND TANGIBLE THINGS**

2 Subject to the attorney-client privilege, the attorney work product doctrine,
3 and other applicable privileges and rights of privacy, Defendants and Counter-
4 Claimants/Third-Party Plaintiffs incorporate by this reference the documents and
5 things referenced in Plaintiff's initial disclosure and further identify the following
6 categories of documents, electronically stored information, and tangible things in
7 their possession, custody, or control that they might use to support their causes of
8 action or defenses:

9 1. Documents comprising contracts between Cinco and Defendants,
10 including but not limited to PCJV's joint venture agreement, including as amended
11 and modified, limited liability company agreement, master license agreement, and
12 settlement agreement, including membership interest purchase agreement and any
13 obligation to indemnify, defend or hold harmless Defendants related to intellectual
14 property and the operation of the U.S. Potato Corner franchise;

15 2. Documents comprising contracts between Cinco and Plaintiff, including
16 but not limited to the acquisition of international trademark rights, not just U.S.
17 registrations, as well as any trade secret or proprietary rights relating to any "Potato
18 Corner" franchisor or franchisee (the "IP"), including but not limited to any
19 obligation to indemnify, defend or hold harmless Plaintiff related to the IP and/or
20 the operation of the U.S. Potato Corner franchise;

21 3. Communications, whether internal or external, involving Cinco relating
22 to the IP and the U.S. Potato Corner franchise, including but not limited to any due
23 diligence, legal opinions, settlement, and handling of other Potato Corner outlets or
24 franchises around the world;

25 ///

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1 4. Communications, whether internal or external, involving Plaintiff
2 relating to the IP and the U.S. Potato Corner franchise, including but not limited to
3 any due diligence, legal opinions, settlement and handling of other Potato Corner
4 outlets or franchises around the world;

5 5. Documents relating to any and all representations by Cinco to Plaintiff
6 or Defendants related to the IP and the U.S. Potato Corner franchise;

7 6. Documents relating to the creation, ownership, management and control
8 of the U.S. Potato Corner franchise, including IP rights, including but not limited to
9 documents evidencing Defendants' consideration for the joint venture agreement
10 and consumer association of the trademarks in the United States;

11 7. Documents, including contracts and communications, with third parties,
12 including suppliers and U.S. franchisees, relating to Defendants, the U.S. Potato
13 Corner franchise, and U.S. fast-food restaurants; and

14 8. Documents relating to any and all efforts to start a fast-food restaurant
15 business in competition with Defendants, including use of self-help or litigation to
16 obtain ownership or control of the IP, U.S. Potato Corner franchise, and U.S. fast-
17 food restaurants;

18 9. Documents filed in support of and relating to the preliminary injunction
19 entered in this action; and

20 10. Documents requested in this action by Defendants.

21 **III. DAMAGES**

22 Defendants are not aware of any basis for Plaintiff to claim damages, let alone
23 any damages suffered by Plaintiff.

24 Counter-Claimants and Third-Party Plaintiffs rely on the attached expert
25 disclosure and report to compute their damages. In support thereof, they also
26 identify the following categories of monetary relief that they intend to seek in this
27 action:

1 1. Actual damages, including but not limited to lost profits, loss of
2 goodwill, reputational injury, and diminution value at both the U.S. franchisor and
3 franchisee level resulting from Counter-Defendants' torts, including inducements of
4 breaches of contract and tortious interferences with contractual relations and
5 prospective business advantage arising from the joint venture agreement, including
6 as amended and modified, master license agreement, and/or settlement agreement,
7 including membership interest purchase agreement;

8 2. The reasonable value of royalties flowing from SPAVI's wrongful use
9 and enjoyment of Counter-Claimants/Third-Party Plaintiffs' trademark rights,
10 including based on its asserted expectation of royalty payments;

11 3. Disgorgement of Counter-Defendants' profits to prevent unjust
12 enrichment;

13 4. Corrective advertising in an amount sufficient to address Cross-
14 Defendants' usurpation of Counter-Claimants/Third-Party Plaintiffs' trademark
15 rights and any resulting confusion and other injuries in the marketplace;

16 5. Punitive damages according to proof at trial; and

17 6. Costs and attorneys' fees as authorized by statute.

18 Counter-Claimants/Third-Party Plaintiffs also seek equitable relief, including
19 declaratory and injunctive relief and/or an accounting, as described in their Prayer
20 for Relief in their operative pleadings. They further reserves the right to supplement
21 and/or amend their identification and computation of damages prior to trial.

22 **IV. INSURANCE**

23 At this time, no insurer has accepted coverage.

24 **V. EXPERT DISCLOSURE**

25 Pursuant to Federal Rule of Civil Procedure 26(a)(2), Counter-
26 Claimants/Third-Party Plaintiffs, by and through their counsel, hereby designate and
27 initially disclose the following expert witness to Plaintiff, Cross-Defendants, and
28

1 Third-Party Defendants. Counter-Claimants/Third-Party Plaintiffs reserves the right
2 to supplement this disclosure prior to trial in accordance with Rule 26(a)(2) and the
3 Court's Standing Order:

4 1. **Jason A. Engel, CPA, CFE, CIRA, ABV, CVA, MAFF**

5 Engel & Engel, LLC

6 C/O Blank Rome LLP

7 2029 Century Park East, Suite 600

8 Los Angeles, CA 90067

9 Attached as Exhibit "1" is the written report of Jason A. Engel.

10
11 DATED: February 28, 2025

BLANK ROME LLP

12
13 By: /s/ Arash Beral

14 Arash Beral

Todd Malynn

Victor Sandoval

15 Attorneys for Defendants, Counterclaimants,
16 and Third Party Plaintiffs PCJV USA, LLC,
17 PCI TRADING LLC, POTATO CORNER,
18 LA GROUP, LLC, GK CAPITAL GROUP,
19 LLC, NKM CAPITAL GROUP, LLC and
20 GUY KOREN, and Defendants J & K
21 AMERICANA, LLC, J&K LAKEWOOD,
22 LLC, J&K OAKRIDGE, LLC, J&K
23 VALLEY FAIR, LLC, J & K ONTARIO,
24 LLC, J&K PC TRUCKS, LLC, HLK
25 MILPITAS, LLC, and GK CERRITOS,
26 LLC
27
28

EXHIBIT 1

**ENGEL & ENGEL, LLP**
CERTIFIED PUBLIC ACCOUNTANTS

350 S Grand Avenue, Suite 3160, Los Angeles, CA 90071
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**EXPERT REPORT OF
JASON A. ENGEL, CPA, CFE, CVA, CIRA, MAFF, ABV
FEBRUARY 28, 2025**

**SHAKEY'S PIZZA ASIA VENTURES, INC
PLAINTIFF**

V.

**PCJV USA, LLC ET AL
DEFENDANTS**

**UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION
CASE NO.: 2:24-CV-04546-PVC**

The purpose of this report is to disclose to the parties and the United States District Court for the Central District of California, Western Division, the expert opinions of Jason A. Engel, CPA, CFE, CVA, CIRA, MAFF, ABV in accordance with Rule 26(a)(2)(B) of the Federal Rules of Civil Procedure.

I, Jason A. Engel, am a partner of Engel & Engel, LLP, Certified Public Accountants, 350 S. Grand Avenue, Suite 3160, Los Angeles, California 90071 ("E&E"). On or about December 23, 2024, E&E was retained by Blank Rome, LLP, counsel for Guy Koren, PCJV USA, LLC, and PCI Trading, LLC ("Defendants") to investigate and calculate economic damages suffered by Defendants.

Expert Report of Jason A. Engel, CPA, CFE, CVA, CIRA, MAFF, ABV
February 28, 2025
Page 2

ID #8289

FORENSIC EXPERT QUALIFICATIONS

I am a Certified Public Accountant and have been licensed as such in the State of California since 1982. In addition, I am a Certified Fraud Examiner (CFE), a Certified Insolvency and Restructuring Advisor (CIRA), a Certified Valuation Analyst (CVA), a Master Analyst in Financial Forensics (MAFF), and Accredited in Business Valuation (ABV). I have been engaged in public accounting since 1979 and my public accounting experience includes auditing, taxation, management consulting, SEC registration, and SEC reporting for public companies. I have approximately thirty-five years of forensic accounting experience, including a senior manager position with the Litigation Services practice at two of the “Big Four” (formerly Big Eight) accounting firms in the United States. I have testified as an expert witness in over 100 matters and have served as an expert witness in over 500 matters involving economic damages, business valuation, fraud, bankruptcy, and a variety of other business litigation matters. I am a member of the American Institute of Certified Public Accountants, California Society of Certified Public Accountants, National Association of Certified Fraud Examiners, Association of Insolvency and Restructuring Advisors, and National Association of Certified Valuation Analysts.

Specific to the issues in this case of economic damages and lost profits, my experience includes over 1,000 economic damage analyses for both plaintiffs and defendants. In addition, I have prepared in excess of 500 lost profits calculations for both plaintiffs and defendants. In connection with lost profits, I have testified as an expert witness in over 100 cases. Furthermore, I have authored E&E research publications on subjects of lost profits and economic damages.

Attached hereto as **Exhibit 1** is a detailed summary of my professional qualifications and E&E’s schedule of standard hourly rates. Also attached hereto as **Exhibit 2** is a listing of cases for which I have testified as an expert witness in the last five years either in trial, deposition, or both.

AUTHORED RESEARCH PUBLICATIONS

I have authored the following E&E research publications on a variety of forensic accounting topics:

1. Deposition Outline for Officers and Executives
2. Document Request for Accounting and Business Records
3. Fraudulent Transfers: The Element of Reasonably Equivalent Value
4. Fraudulent Transfers: The Element of Insolvency
5. Fraudulent Transfers: The Element of Unreasonably Small Capital
6. Fraudulent Transfers: The Element of Inability to Pay Debts as They Mature
7. Framework for the Calculation of Lost Profits Part I: Financial Principles as a Framework for the Calculation of Lost Profits
8. Framework for the Calculation of Lost Profits Part II: The Element of Certainty
9. Framework for the Calculation of Lost Profits Part III: Prospective Lost Profits
10. Framework for the Calculation of Lost Profits Part IV: Unestablished Businesses
11. Framework for the Calculation of Lost Profits Part V: Mitigation of Damages
12. Discounting Future Lost Profits
13. The Business Records Exception to the Hearsay Rule: The Admissibility of Financial Records in Federal and State Courts
14. Admissibility of Expert Testimony: The Element of Reliability
15. Framework for the Calculation of Infringement Damages Part I: Trademark Infringement Damages Under the Lanham Act
16. Framework for the Calculation of Infringement Damages Part II: Patent Infringement Damages
17. Investigation and Discovery of Alter Ego Factors
18. Alter Ego: The Element of Undercapitalization
19. Framework for the Calculation of Employment Damages
20. Business Valuation Under California Corporate Code Section 2000.

Records and Other Information Considered

As the lead accountant for E&E and as an expert witness in this case, I and E&E's professional staff, under my direction and supervision, have reviewed and analyzed various documents and records. Attached hereto as **Exhibit 3** is a listing of various documents we reviewed and considered in connection with this report.

I. Background

Since in or about 2021 or 2022, Shakey's Pizza Asia Ventures, Inc. ("SPAVT") ("Plaintiff") and Guy Koren, PCJV USA, LLC, and PCI Trading, LLC ("Defendants") have been involved in a dispute relating to the Potato Corner Trademark. Defendants claim that as a result of Plaintiff's interference with their ownership of the trademark, Defendants have lost business opportunities in opening up new stores since 2022.

We have been retained to investigate and calculate Defendant's economic damages as a result of Plaintiff's alleged interference with Defendant's trademark. In this regard, we have found that Defendant's new store openings grew at an average rate of approximately 12% during the 5 years 2013 through 2018. We have also found that Defendant's new store openings only grew at an annual rate of approximately 2% during the period of dispute between the parties, from 2021–2024.

It is important to note that during the period 2018 – 2021, new store openings did not grow as compared to 2013 – 2018, where new store openings grew at an annual rate of 12%. It is our understanding that the lack of growth between 2018 and 2021 is attributable to attempts to interfere with control of PCJV and its trademark rights by the alleged former co-owner of PCJV, which included Cinco Corporation, a Filipino entity. In this regard, we did not

attribute to SPAVI as economic damages in this case for the period 2018 – 2021 as such damages were allegedly caused by Cinco Corporation.

As of November 30, 2024, Defendants, as U.S. franchisor, operated a U.S. franchise system comprising of 35 Potato Corner outlets. In this regard, we have been informed by counsel that Defendants have lost the ability to use the disputed Potato Corner trademark by at least January 1, 2025. We have also been informed that by at least January 1, 2025, approximately 20 stores have elected to stop doing business with Defendants and are doing business with Plaintiff.

As of today, four stores have not yet decided whether they will stop doing business with Defendant and switch to Plaintiff. For purposes of our damage analysis contained in this report, we have assumed that the remaining four stores will also switch over to Plaintiff. Accordingly, we have assumed that beginning in 2025, Defendants have lost 24 stores, and the remaining 11 stores include 10 stores for which Guy Koren has a direct ownership interest and 1 store that elected to stay and operate under Defendants.

II. Summary of Findings and Opinions of Jason A. Engel

Overall, we have found that Defendant's economic damages resulting from Plaintiff's alleged interference with Defendant's trademark ranges between \$29.4 million assuming damages are calculated through 2034 and \$66.8 million assuming damages are calculated for an additional 10 years through 2044 (**See Schedule A**).

It is our understanding that as owners of the trademark, Defendants could have operated as the franchisor for an indefinite period of time. In this regard, we are not opining as to the proper period of time that Defendants would be entitled to recover economic damages, and accordingly we are providing the court with a 10-year projection and a 20-year projection. E&E will calculate

Defendant's economic damages, should the court find an alternative damage period is proper.

With respect to the remaining 11 stores that will be operated and managed by PCJV, we have assumed that the 11 stores will be operated under a new brand name beginning in 2025. In this regard, we did not have sufficient information to evaluate the performance of the 11 stores beginning in 2025 as we do not know how the stores will perform under a new brand. Accordingly, we assumed for purposes of this report, that PCJV will continue to operate from 2025 and will not generate any profits or losses.

In connection with our damage analysis, we did not calculate damages relating to PCI Trading LLC ("PCIT") as we did not have sufficient information. In this regard, we reserve the right to update this report when and if we obtain such information.

We have also been retained in connection with this case to investigate and calculate economic damages of Defendant Guy Koren as Koren has a direct ownership interest in 10 franchisees as of December 31, 2024. It is our understanding that beginning in 2025, Guy Koren's 10 franchisees are likely to incur economic losses as a result of losing intellectual property rights.

We have been unable to evaluate and calculate economic damages potentially suffered by Guy Koren's 10 franchisees as we did not have sufficient information as of the date of this report. It is important to note that there is insufficient information to determine the impact on the sales of the 10 franchisees due to the loss of branding/trade name beginning in 2025. We anticipate that as monthly revenue information becomes available in 2025, we will likely be able to evaluate the impact from the loss of branding/trade name. In this regard, we reserve the right to update this report when and if we obtain such information.

III. Detailed Findings and Opinions of Jason A. Engel

A. Historical Damages Resulting From The Alleged Interference From 2022 – 2024

We have calculated Defendant's economic damages approximating \$766,969 based on our findings that Defendant's new store openings did not grow during the period 2022 – 2024, but would have grown at a rate of approximately 12% but for Plaintiff's alleged interference with Defendant's Trademark (**See Schedule A**).

Our calculation of lost revenues for the years 2022 – 2024 is based on the historical average revenues per store and the number of lost stores. Also, our calculation of lost profits takes into consideration cost of goods sold and variable operating expenses (**See Schedule B**).

B. 10 Year Projected Lost Profits Resulting From The Alleged Interference From 2025 – 2034

We have calculated Defendant's economic damages approximating \$28.6 million based on our findings that Defendants lost 24 existing stores in addition to the lost opportunity to open new stores (**See Schedule A**). Our calculation of projected new stores is based on the company's historical compound annual growth rate of new store openings approximating 12% (**See Schedule D-1**).

Our calculation of lost revenues for the years 2025 – 2034 is based on the historical compound annual growth rate of the average revenue per store and the number of lost stores. Also, our calculation of lost profits takes into consideration cost of goods sold and variable operating expenses (**See Schedule B**).

C. Additional 10-Year Projected Lost Profits Resulting From The Alleged Interference From 2035 – 2044

We have calculated Defendant's economic damages approximating \$37.4 million based on our findings that Defendants lost the opportunity to open 111 new stores (**See Schedule A**). In this regard, we have assumed that beginning in 2035, PCJV would experience zero growth in the number of new stores. Our assumption is intended to be conservative in our calculation.

Our calculation of lost revenues for the years 2035 – 2044 is based on our finding that for the year 2034, Defendant's average revenue per store would approximate \$234,000 per store (**See Schedule B**). In this regard, we have assumed that beginning in 2035, PCJV would experience zero growth in the average revenue per store. Our assumption is intended to be conservative in our calculation.

Our findings and opinions contained in this report are subject to change should new documents or information become available.

Respectfully submitted on
February 28, 2025



Jason A. Engel, CPA, CFE, CVA, CIRA, MAFF, ABV

Shakey's Pizza Asia Ventures, Inc. v. PCJV USA, LLC et al

PCJV USA, LLC
Summary of Economic Damages Due To Interference With Trademark

	<u>Years</u>	<u>Amount</u>
Lost Profits Due to Interference With Trademark (See Schedule B)	2022 - 2024	\$ 766,969
10-Year Projection Assuming Loss of 24 Stores (See Schedule B)	2025 - 2034	28,637,030
Additional 10-Year Projection Assuming Loss of 24 Stores (See Schedule B)	2035 - 2044	37,403,475
Total Projected Net Present Value of Lost Profits		<u>\$ 66,807,474</u>

PCJV USA, LLC
 Present Value of Projected Net Lost Profits Due to Interference With Trademark
 For the Years 2022 - 2044

Year	Number of Lost Stores	Revenues Per Store	Lost Revenues From Lost Stores	Gross Profit %	Lost Gross Profit (\$)	Less: Variable Expenses (%)	Less: Variable Expenses (\$)	Net Lost Profits	Present Value of Net Lost Profits
	Schedule C	Schedule B-1		Schedule E		Note 1			Note 2
Lost Profits Due to Interference With Trademark									
2022	5	79,655	390,954	70%	274,689	30%	(117,286)	157,402	157,402
2023	5	75,675	399,489	75%	300,518	30%	(119,847)	180,672	180,672
2024	11	90,073	1,005,889	73%	730,662	30%	(301,767)	428,895	428,895
Total Projected Net Present Value of Net Lost Profits Due to Interference With Trademark								\$	766,969

10-Year Projection - Assuming Loss of 24 Stores

2025	38	99,080	3,755,252	73%	2,727,756	30%	(1,126,576)	1,601,180	1,535,904
2026	41	108,988	4,446,364	73%	3,229,768	30%	(1,333,909)	1,895,859	1,744,432
2027	44	119,887	5,258,701	73%	3,819,837	30%	(1,577,610)	2,242,227	1,979,025
2028	47	131,875	6,212,993	73%	4,513,019	30%	(1,863,898)	2,649,122	2,242,837
2029	51	145,063	7,333,460	73%	5,326,909	30%	(2,200,038)	3,126,871	2,539,392
2030	54	159,569	8,648,405	73%	6,282,064	30%	(2,594,521)	3,687,543	2,872,637
2031	58	175,526	10,190,886	73%	7,402,498	30%	(3,057,266)	4,345,232	3,246,987
2032	62	193,079	11,999,517	73%	8,716,259	30%	(3,599,855)	5,116,404	3,667,383
2033	66	212,386	14,119,393	73%	10,256,103	30%	(4,235,818)	6,020,285	4,139,353
2034	71	233,625	16,603,167	73%	12,060,277	30%	(4,980,950)	7,079,327	4,669,080
Total 10-Year Projected Net Present Value of Net Lost Profits Assuming Loss of 24 Stores								\$	28,637,030

Additional 10-Year Projection - Assuming Loss of 24 Stores With No Growth Rate in New Stores

2035	71	233,625	16,603,167	73%	12,060,277	30%	(4,980,950)	7,079,327	4,478,734
2036	71	233,625	16,603,167	73%	12,060,277	30%	(4,980,950)	7,079,327	4,296,148
2037	71	233,625	16,603,167	73%	12,060,277	30%	(4,980,950)	7,079,327	4,121,005
2038	71	233,625	16,603,167	73%	12,060,277	30%	(4,980,950)	7,079,327	3,953,003
2039	71	233,625	16,603,167	73%	12,060,277	30%	(4,980,950)	7,079,327	3,791,849
2040	71	233,625	16,603,167	73%	12,060,277	30%	(4,980,950)	7,079,327	3,637,265
2041	71	233,625	16,603,167	73%	12,060,277	30%	(4,980,950)	7,079,327	3,488,983
2042	71	233,625	16,603,167	73%	12,060,277	30%	(4,980,950)	7,079,327	3,346,747
2043	71	233,625	16,603,167	73%	12,060,277	30%	(4,980,950)	7,079,327	3,210,309
2044	71	233,625	16,603,167	73%	12,060,277	30%	(4,980,950)	7,079,327	3,079,433
Total Additional 10-Year Projected Net Present Value of Net Lost Profits Assuming Loss of 24 Stores With No Growth Rate in New Stores								\$	37,403,475

Total Projected Net Present Value of Net Lost Profits \$ 66,807,474

Note 1: Variable expenses are estimated at 30%.

Note 2: Discount rate of 4.25% is based on the U.S. Department of the Treasury U.S. T-Bill Rate as of 2/26/2025.

Shakey's Pizza Asia Ventures, Inc. v. PCJV USA, LLC et al

PCJV USA, LLC
Analysis of Average Revenues Per Store
For the Years 2018 - 2024

	2018	2019	2020	2021	2022	2023	2024	CAGR 2018 - 2024	CAGR Applied 2025 - 2034
Total PCJV USA, LLC Revenues (See Schedule E)	\$ 1,256,110	\$ 1,396,616	\$ 812,036	\$ 1,660,632	\$ 1,752,410	\$ 1,967,553	\$ 2,251,814		
Historical Number of PCJV USA, LLC Stores (See Note 1)	25	24	24	23	22	26	25		
Average Revenues Per Store	\$ 50,244	\$ 58,192	\$ 33,835	\$ 72,201	\$ 79,655	\$ 75,675	\$ 90,073		
Compound Annual Growth Rate (CAGR)								10.2%	10%

Note 1: In calculating the average revenue per store, we did not include the 10 stores that are owned by Guy Koren as PCJV does not earn any revenues from the 10 stores.

PCJV USA, LLC
Analysis of Number of Lost Stores
For the Years 2022 - 2044

<u>Year</u>	<u>Projected Number of Stores¹</u>	<u>Less: Historical Number of Stores²</u>	<u>Number of Lost Stores</u>
<u>Projected - Due to Interference With Trademark</u>			
2022	37	(32)	5
2023	41	(36)	5
2024	46	(35)	11
<u>10 Year Projection - Assuming Loss of 24 Stores</u>			
2025	49	(11)	38
2026	52	(11)	41
2027	55	(11)	44
2028	58	(11)	47
2029	62	(11)	51
2030	65	(11)	54
2031	69	(11)	58
2032	73	(11)	62
2033	77	(11)	66
2034	82	(11)	71

PCJV USA, LLC
Analysis of Number of Lost Stores
For the Years 2022 - 2044

<u>Year</u>	<u>Projected Number of Stores¹</u>	<u>Less: Historical Number of Stores²</u>	<u>Number of Lost Stores</u>
<u>Additional 10 Year Projection - Assuming Loss of 24 Stores With No Growth Rate in New Stores</u>			
2035	82	(11)	71
2036	82	(11)	71
2037	82	(11)	71
2038	82	(11)	71
2039	82	(11)	71
2040	82	(11)	71
2041	82	(11)	71
2042	82	(11)	71
2043	82	(11)	71
2044	82	(11)	71

Note 1: See Schedule D

**Note 2: The number of lost stores for the years 2022 - 2024 was
obtained from "PCJV's Total Open Store Count from 2010-
2024.pdf"**

PCJV USA, LLC
Analysis of Projected Number of Stores
For the Years 2010 - 2044

<u>Period</u>	<u>Year</u>	<u>Number of Stores</u>	<u>Growth Rate¹</u>	
<u>Historical Number of Stores</u>				
<u>Prior to Interference With Trademark</u>				
0	2010	3		
1	2011	6	100%	
2	2012	10	67%	
3	2013	20	100%] CAGR = 11.84%
4	2014	26	30%	
5	2015	31	19%	
6	2016	36	16%	
7	2017	32	-11%	
8	2018	35	9%	
9	2019	34	-3%	
10	2020	34	0%	
11	2021	33	-3%	
<u>Projected Number of Stores</u>				
<u>Due to Interference With Trademark</u>				
12	2022	37	11.84%	
13	2023	41	11.84%	
14	2024	46	11.84%	

PCJV USA, LLC
Analysis of Projected Number of Stores
For the Years 2010 - 2044

<u>Period</u>	<u>Year</u>	<u>Number of Stores</u>	<u>Growth Rate¹</u>
<u>Projected Number of Stores</u>			
<u>10-Year Projection - Assuming Loss of 24 Stores</u>			
15	2025	49	5.92%
16	2026	52	5.92%
17	2027	55	5.92%
18	2028	58	5.92%
19	2029	62	5.92%
20	2030	65	5.92%
21	2031	69	5.92%
22	2032	73	5.92%
23	2033	77	5.92%
24	2034	82	5.92%

Projected Number of Stores
Additional 10-Year Projection - Assuming Loss of 24 Stores
With No Growth Rate in New Stores

25	2035	82	0.00%
26	2036	82	0.00%
27	2037	82	0.00%
28	2038	82	0.00%
29	2039	82	0.00%

PCJV USA, LLC
Analysis of Projected Number of Stores
For the Years 2010 - 2044

<u>Period</u>	<u>Year</u>	<u>Number of Stores</u>	<u>Growth Rate¹</u>
30	2040	82	0.00%
31	2041	82	0.00%
32	2042	82	0.00%
33	2043	82	0.00%
34	2044	82	0.00%

Note 1: Growth rate of 11.84% for the years 2022 - 2044 is based on the compound annual growth rate of new stores from 2013 - 2018. See Schedule D-1.

Shakey's Pizza Asia Ventures, Inc. v. PCJV USA, LLC et al

PCJV USA, LLC
Compound Annual Growth Rate
Of New Store Openings
For the Years 2013 - 2018

Period	Year	Number of Stores	Growth Rate
0	2013	20	
1	2014	26	30%
2	2015	31	19%
3	2016	36	16%
4	2017	32	-11%
5	2018	35	9%
2013 - 2018 CAGR = 11.84%			

Source: Based on "PCJV's Total Open Store Count
from 2010 - 2024.pdf".

Shakey's Pizza Asia Ventures, Inc. v. PCIV USA, LLC et al

PCIV USA, LLC DBA POTATO CORNER
Comparative P&L
Per Audited and Internal Financial Statements
For the Year 2018 - 2024

	2018		2019		2020		2021		2022		2023		2024		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
	Adjusted Internal F/S		Adjusted Internal F/S		Audited F/S		Audited F/S		Audited F/S		Adjusted Internal F/S		Internal F/S			
Income																
Revenues																
Sale of Food and Beverages	\$ -	0%	\$ -	0%	\$ 180,780	22%	\$ 457,039	28%	\$ 500,094	29%	\$ -	0%	\$ 1,014,051	45%	\$ 2,151,964	19%
Franchise Fees	\$ 96,250	8%	\$ 205,693	15%	\$ 64,615	8%	\$ 103,311	6%	\$ 68,941	4%	\$ 90,901	5%	\$ 90,182	4%	\$ 719,893	6%
Area Development Fees	\$ 118,750	9%	\$ 87,750	6%	\$ 14,875	2%	\$ 15,500	1%	\$ 31,624	2%	\$ -	0%	\$ 30,000	1%	\$ 298,499	3%
Royalty Fees	\$ 348,214	44%	\$ 604,197	43%	\$ 332,460	41%	\$ 647,582	39%	\$ 687,247	39%	\$ 801,611	41%	\$ 790,735	35%	\$ 4,412,047	40%
Rebates	\$ 492,896	39%	\$ 330,026	24%	\$ 154,325	19%	\$ 284,575	17%	\$ 326,396	19%	\$ 448,329	23%	\$ 326,846	15%	\$ 2,363,454	21%
Marketing and Revenue	\$ -	0%	\$ -	0%	\$ 64,351	8%	\$ 152,623	9%	\$ 138,108	8%	\$ 543	0%	\$ -	0%	\$ 356,227	3%
Other Income	\$ -	0%	\$ 168,949	12%	\$ -	0%	\$ -	0%	\$ -	0%	\$ 626,138	32%	\$ -	0%	\$ 795,087	7%
Total Revenues	\$ 1,256,110	100%	\$ 1,396,616	100%	\$ 812,036	100%	\$ 1,660,632	100%	\$ 1,732,410	100%	\$ 1,967,593	100%	\$ 2,251,814	100%	\$ 11,097,171	100%
Cost of Sales - Food and Beverages	\$ (0.2)	0%	\$ (101,729)	-7%	\$ (138,422)	-17%	\$ (468,641)	-28%	\$ (521,147)	-30%	\$ (487,447)	-25%	\$ (616,132)	-27%	\$ (2,333,218)	-21%
Gross Profit	\$ 1,256,110	100%	\$ 1,294,887	93%	\$ 673,614	83%	\$ 1,191,991	72%	\$ 1,231,263	70%	\$ 1,480,106	75%	\$ 1,635,682	73%	\$ 8,763,953	79%
Expenses																
Selling, General and Administrative Expenses	\$ (1,268,504)	-101%	\$ (1,710,779)	-122%	\$ (1,174,178)	-143%	\$ (1,271,315)	-77%	\$ (1,118,481)	-64%	\$ (1,352,099)	-69%	\$ (1,466,241)	-63%	\$ (9,361,606)	-84%
Fees - Operating																
License Fee to Spavi	\$ (351,589)	-28%	\$ (383,347)	-27%	\$ -	0%	\$ -	0%	\$ -	0%	\$ (468,036)	-24%	\$ -	0%	\$ (1,202,972)	-11%
Franchise Fee	\$ (48,125)	-4%	\$ (102,947)	-7%	\$ -	0%	\$ -	0%	\$ -	0%	\$ (52,431)	-2%	\$ -	0%	\$ (196,422)	-2%
Development Fees	\$ (39,375)	-3%	\$ (43,875)	-3%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ (103,250)	-1%
Total Fees - Operating	\$ (439,089)	-37%	\$ (530,069)	-38%	\$ -	0%	\$ -	0%	\$ -	0%	\$ (513,466)	-26%	\$ -	0%	\$ (1,502,644)	-14%
Total Expenses	\$ (1,727,593)	-138%	\$ (2,240,847)	-160%	\$ (1,174,178)	-143%	\$ (1,271,315)	-77%	\$ (1,118,481)	-64%	\$ (1,865,565)	-95%	\$ (1,466,241)	-63%	\$ (10,864,250)	-98%
Income (Loss) from Operations	\$ (471,483)	-38%	\$ (945,960)	-68%	\$ (500,564)	-62%	\$ (79,324)	-5%	\$ 112,772	6%	\$ (385,479)	-20%	\$ 169,441	8%	\$ (2,100,298)	-19%
Other Income																
Gain from Sale of Franchised Store	\$ -	0%	\$ -	0%	\$ -	0%	\$ 60,358	4%	\$ -	0%	\$ -	0%	\$ -	0%	\$ 60,358	1%
Other Income	\$ -	0%	\$ -	0%	\$ 10,000	1%	\$ 130,538	8%	\$ -	0%	\$ -	0%	\$ -	0%	\$ 140,538	1%
Total Other Income	\$ -	0%	\$ -	0%	\$ 10,000	1%	\$ 190,896	11%	\$ -	0%	\$ -	0%	\$ -	0%	\$ 200,896	2%
Income (Loss) Before Limited Liability Company Fees	\$ (471,483)	-38%	\$ (945,960)	-68%	\$ (490,564)	-60%	\$ 111,572	7%	\$ 112,772	6%	\$ (385,479)	-20%	\$ 169,441	8%	\$ (1,899,702)	-17%
Other Expenses																
Limited Liability Company Fees	\$ -	0%	\$ -	0%	\$ (3,300)	0%	\$ (3,300)	0%	\$ (3,300)	0%	\$ -	0%	\$ -	0%	\$ (9,900)	0%
Non-Recurring Professional Fees	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ (283,000)	-13%	\$ (283,000)	-13%	\$ (283,000)	-3%
Other Expenses (Taxes and Licenses)	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ (21,062)	-1%	\$ (21,062)	-1%	\$ (21,062)	0%
Total Other Expenses	\$ -	0%	\$ -	0%	\$ (3,300)	0%	\$ (3,300)	0%	\$ (3,300)	0%	\$ -	0%	\$ (306,062)	-14%	\$ (315,962)	-3%
Net Income (Loss)	\$ (471,483)	-38%	\$ (945,960)	-68%	\$ (493,864)	-61%	\$ 108,272	7%	\$ 109,472	6%	\$ (385,479)	-20%	\$ (136,621)	-6%	\$ (2,215,664)	-20%

PCJV USA, LLC DBA POTATO CORNER
Comparative Balance Sheet
Per Audited and Internal Financial Statements
For the Years 2020 - 2024

	As of 12/31/2020	As of 12/31/2021	As of 12/31/2022	As of 12/31/2023	As of 12/31/2024
	Audited F/S	Audited F/S	Audited F/S	Internal F/S	Internal F/S
Assets					
Current Assets					
Cash and cash equivalents	\$ 198,753	\$ 85,687	\$ 176,326	\$ 390,609	\$ 124,530
Restricted cash	436,634	519,816	580,790	637,032	490,285
Account receivable, net	206,621	232,694	206,742	234,376	244,072
Inventory of food and beverages	9,471	14,192	19,137	24,196	7,033
Due from related parties	39,987	107,487	75,250	14,554	114,313
Note receivable	-	40,959	40,960	75,914	75,914
Prepaid expenses and other current assets	33,498	41,800	11,825	812	-
Total Current Assets	\$ 924,964	\$ 1,042,635	\$ 1,111,030	\$ 1,377,493	\$ 1,056,147
Equipment and leasehold improvements, net	147,942	113,174	77,749	40,392	15,604
Note receivable, net of current portion	-	64,853	37,546	-	-
Other assets	27,231	26,360	26,360	26,360	26,360
Right of use asset, operating	-	-	158,647	140,872	74,978
Total Assets	\$ 1,100,137	\$ 1,247,022	\$ 1,411,332	\$ 1,585,117	\$ 1,173,089
Liabilities					
Current Liabilities					
Accounts payable and accrued expenses	(217,625)	(226,775)	(69,763)	(50,014)	(49,421)
Accounts payable - marketing	(478,140)	(533,638)	(618,137)	(650,057)	(487,504)
Due to member	(9,000)	(9,000)	(9,000)	-	-
Deferred revenue	(78,076)	(83,082)	(79,601)	(101,700)	(106,518)
Loan from member	(20,000)	(20,000)	(20,000)	(68,473)	-
Current portion of operating lease liability	-	-	(161,038)	(129,337)	(63,443)
Total Current Liabilities	\$ (802,841)	\$ (872,495)	\$ (957,539)	\$ (999,581)	\$ (706,886)
Paycheck Protection Program Loan	(102,738)	-	-	-	-
Deferred revenue, net of current portion	(437,142)	(526,128)	(489,044)	(489,044)	(489,044)
Operating lease liability, net of current portion	-	-	(6,878)	(11,535)	(11,535)
Total Liabilities	\$ (1,342,721)	\$ (1,398,623)	\$ (1,453,461)	\$ (1,500,160)	\$ (1,207,465)
Equity					
Members' Equity (Deficit)	242,584	151,601	42,129	(84,957)	34,375
Total Equity	\$ 242,584	\$ 151,601	\$ 42,129	\$ (84,957)	\$ 34,375
Total Liabilities and Equity	\$ (1,100,137)	\$ (1,247,022)	\$ (1,411,332)	\$ (1,585,117)	\$ (1,173,090)

Exhibit 1



ENGEL & ENGEL, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PROFESSIONAL QUALIFICATIONS

JASON A. ENGEL, CPA, CFE, CIRA, CVA, MAFF, ABV

PUBLIC ACCOUNTING

Mr. Engel is a Certified Public Accountant and has been engaged in the practice of public accounting since 1979. His public accounting experience includes auditing, taxation, management consulting, SEC registration, and SEC reporting for public companies. His professional background includes experience at two of the Big Four accounting firms where he was a Senior Manager in both the Audit Practice and Management Consulting Practice.

*EXPERT WITNESS AND
FORENSIC ACCOUNTING*

Since 1982, Mr. Engel has been engaged in the practice of forensic accounting and expert testimony in connection with a variety of business litigation matters including economic damages, bankruptcy and insolvency, fraud and embezzlement, business valuation, alter ego, wrongful termination, net worth calculations, and partnership and shareholder dissolutions. He has also been engaged in accounting malpractice and other matters requiring an evaluation of financial statements and compliance with Generally Accepted Accounting Principles and Generally Accepted Auditing Standards. He has made various presentations and has published research publications on the subject of economic damages, lost profits, alter ego, bankruptcy and insolvency and other forensic accounting topics.

Mr. Engel has served as an expert witness in over 500 cases and has testified in federal, bankruptcy and state courts. He has also testified in arbitration and has served as a court appointed accounting referee. His professional credentials include those of Certified Public Accountant (CPA), Certified Fraud Examiner (CFE), Certified Insolvency and Restructuring Advisor (CIRA), Certified Valuation Analyst (CVA), Master Analyst of Financial Forensics (MAFF) and Accredited in Business Valuation (ABV).

Continues

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American Institute of Certified Public Accountants • California Society of Certified Public Accountants

National Association of Certified Fraud Examiners • National Association of Certified Valuation Analysts • Association of Insolvency and Restructuring Advisors



ENGEL & ENGEL, LLP

CERTIFIED PUBLIC ACCOUNTANTS

EXPERTISE:
ECONOMIC DAMAGES
BUSINESS LITIGATION

Mr. Engel has extensive experience and expertise in investigating and developing economic damage calculations and providing expert testimony in connection with a wide variety of business litigation matters. He has earned the credential of a Master Analyst of Financial Forensics (MAFF) and has written various research publications on the subject of economic damages, lost profits, infringement damages, alter ego and other business litigation topics.

His experience and expertise includes investigating and calculating economic damages in connection with lost profits, lost goodwill, lost business value, contract damages, patent infringement, trademark infringement, copyright infringement, compensatory damages, consequential damages, lost earnings, reliance damages, construction delay damages, environmental and contamination damages, unfair business competition, misappropriation of trade secrets and lost opportunity damages. His experience and expertise also includes investigating and providing expert testimony as to the elements of alter ego and fraudulent transfers.

EXPERTISE:
FINANCIAL FRAUD

Mr. Engel is a Certified Fraud Examiner (CFE) and has extensive experience and expertise in investigating, detecting and uncovering financial fraud and embezzlement. His fraud expertise includes skilled knowledge and application of specialized investigatory techniques designed to detect fraud, embezzlement and fraudulent and misleading financial statements.

Mr. Engel has provided expert testimony in connection with a variety of fraud related engagements. He has experience in conducting fraud investigations in connection with civil and criminal white collar fraud, corporate and employee embezzlement, Ponzi schemes, lapping schemes, securities fraud, insurance fraud, contract fraud, misappropriation of funds and fraudulent and misleading financial statements.

EXPERTISE:
BUSINESS VALUATION

Mr. Engel is a Certified Valuation Analyst (CVA) and Accredited in Business Valuation (ABV). He has conducted in excess of 100 business valuations. His experience includes performing business valuations in a wide variety of industries, including manufacturing, wholesale, construction, insurance, health care, distributorship, retail establishments, real estate agencies, service enterprises, import and export, franchises and a variety of professional practices including medical, dental, accounting and law.

Continues

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National Association of Certified Fraud Examiners • National Association of Certified Valuation Analysts • Association of Insolvency and Restructuring Advisors



ENGEL & ENGEL, LLP

CERTIFIED PUBLIC ACCOUNTANTS

He has conducted business valuations in connection with economic damages, bankruptcy and insolvency, mergers and acquisitions, fraudulent transfers, minority shareholder valuations, net worth calculations and marital, corporate and partnership dissolutions. He has also assisted counsel in evaluating and defending a \$4.2 billion hostile takeover of a national insurance company.

EXPERTISE:
BANKRUPTCY AND
INSOLVENCY

Mr. Engel is a Certified Insolvency and Restructuring Advisor (CIRA). His experience in bankruptcy and insolvency includes court appointments by the United States Bankruptcy Court as the accountant for debtors, creditors and Trustees under both Chapters 7 and 11 of the United States Bankruptcy Code. He also served as an accounting expert for a United States Bankruptcy Judge.

Mr. Engel has testified as an expert witness in United States Bankruptcy Courts in a variety of bankruptcy issues. His bankruptcy and insolvency experience and expertise includes investigating, analyzing and testifying as to the elements of a fraudulent transfer including reasonable equivalent value, insolvency, unreasonable small assets, and inability to pay debts as they become due. In addition, Mr. Engel's experience and expertise includes preference analysis, liquidation analysis, analysis of adequate protection, preparation and analysis of reorganization plans, preparation and analysis of Interim Statements and Operating Reports, financial projections, business valuations, crisis management and fraud investigations of insiders and officers.

Mr. Engel has written various research publications on the subject of bankruptcy and insolvency. He has completed a course in the study of Business Reorganization under the Bankruptcy Reform Act sponsored by the University of Southern California Law Center.

EDUCATION,
CERTIFICATIONS AND
MEMBERSHIPS

Mr. Engel earned, in 1979, a Bachelor of Science in Business Administration with a specialty in accounting from California State University at Northridge. In 1982, he attained his CPA credentials and in 1992, he attained his CFE credentials. He attained his CVA and CIRA credentials in 1996 and his CFFA credentials in 2003.

He is a member of the California Society of Certified Public Accountants, the American Institute of Certified Public Accountants, the Management Consulting Section of the American Institute of Certified Public Accountants, the National Association of Certified Fraud Examiners, the Association of Insolvency and Restructuring Advisors, the National Association of Certified Valuation Analysts.

Highly Confidential - Attorneys' Eyes Only

American Institute of Certified Public Accountants • California Society of Certified Public Accountants

National Association of Certified Fraud Examiners • National Association of Certified Valuation Analysts • Association of Insolvency and Restructuring Advisors

Exhibit 2

Involving Expert Testimony By

Jason A. Engel, CPA, CFE, CVA, CIRA, MAFF, ABV

- 1 Buica v. Talent Ventures (The Acting Corp) (2010)
- 2 Ferguson v. Broadway (2010)
- 3 Salvatore Gambino v. Solomon Fingold (2010)
- 4 Bluewater Sunset v. First View (2010)
- 5 Sara Lee Corporation v. Sycamore Family Bakery, Inc. (2010)
- 6 Moustaz Alsayed v. Harvey Capital Corp. (2010)
- 7 Dorfman v. Troy Hoidal (2010)
- 8 Miyajima v. Farquhar (2010)
- 9 101 South La Brea, LLC v. Progressive Management Systems, Inc. (2010)
- 10 Daniel A. Capen, M.D. v. Robert W. Hunt, M.D. (2010)
- 11 Fillpoint v. Michael Maas (2010)
- 12 Joshua Kapland v. Veolia (2011)
- 13 Frederick C. Wilgram v. Frontstream Fast Transact, LLC (2011)
- 14 Mathew Zuckerman v. Green Earth Technologies, Inc. (2011)
- 15 City of Glendale v. The Insurance Company of the State of Pennsylvania (2011)
- 16 ICSI, Inc. v. Aim Group (2011)
- 17 Kassin v. Bently Forbes (2011)
- 18 Pacesetter v. Nervicon (2011)
- 19 Han v. Greenland (2011)
- 20 Laila Rose v. Don Bolin (2011)
- 21 Valley MFG v. Newell (2011)
- 22 Arbar Golestaneh No. v. Sierra Investments, LLC (2012)
- 23 Islam and Amin's Oil v. Indrojit Biswas, et al. (2012)
- 24 Suzy Yoon v. KRSW (2012)
- 25 See Plus, Inc. v. Invensys Systems, Inc. aka Wonderware (2012)
- 26 XYZ Distributors, Inc. V. COLA (2013)
- 27 Magnetic Imaging Medical Group (2013)
- 28 Kayne, et al. v. Christopher Ho, et al. (2013)
- 29 Bar-Kochba Botach v. Yochat Botach: Altatac Corporation (2013)
- 30 Riverside Global v. G Albert Hreish (2013)
- 31 Namco Capital Group Inc. v. Mousa Namvar (2013)
- 32 Cathay Bank v. Majid M. Shavan (2013)
- 33 Reynen & Bardis v. Contour Development Inc. (2013)
- 34 Colonial Pacific Leasing Corp.; GE Capital Commercial, Inc. v. Fatima Kazi (2014)
- 35 Leonel Silva v. Burrtec Waste Industries (2014)
- 36 Dr. Won R. Yoon v. Dr. Andrew K. Choi (2014)
- 37 John and Judith DeLong v. Brown and Broza et al (2014)
- 38 Anne Roeser v. Computer Science Corporation (2014)
- 39 DC Partners v. Gnessin (2015)
- 40 Safar v. Argelander (2015)
- 41 Leona Horowitz v. Harold Joseph Brown et al (2015)
- 42 M&Y Management Inc. v. Shabatian (2015)
- 43 Matloubian v. Superior Home Design (2015)
- 44 Vistana Condominium Owners Association Inc. v. Patricia Arnott Inc. (2015)
- 45 Mighty Enterprises Inc. v. She Hong Industrial Company, LTD et al (2016)
- 46 Visalemo Transportation Services Company Inc. v. Heather Olson et al (2016)
- 47 Vahik Meserkhani v. Armen Hacopian (2016)

Involving Expert Testimony By

Jason A. Engel, CPA, CFE, CVA, CIRA, MAFF, ABV

- 48 Marina Moskovenko v. Fenestra America (2016)
- 49 Laura Bell v. Morgan, Stanley, Smith & Barney (2016)
- 50 Michael Ross v. The Regents of the University of California et al (2016)
- 51 SPAP Company, LLC v. Clinical Products, LLC (2017)
- 52 Isabella Sanchez v. Durham School Services, et al (2017)
- 53 CRCH, LLC v. Lakha Properties-Chino Hills (2017)
- 54 FSP-South Flower Street v. Merchant Processing Solutions et al (2017)
- 55 Layton Construction v. Mint Development (2018)
- 56 915 S. Mateo Properties et al v. Timothy Norton (2018)
- 57 Lock & Lock Co., LTD v. Lock & Lock USA Distributor, Inc. (2018)
- 58 NREA - TRC 700, LLC v. Hurrell Cantrall, LLP (2018)
- 59 Optional Capital Inc. et al v. DAS Corporation et al (2019)
- 60 CRTV, LLC v. Mark Steyn et al (2019)
- 61 CTC Global Corporation v. Jason Huang et al (2019)
- 62 Atypical Brands, LLC v. ABV Group, Inc. (2019)
- 63 Gregory Econn v. ADSH Investments II, Inc. et al (2020)
- 64 Leona Horowitz v. Joseph G. Brown et al (2020)
- 65 Robert Richards and Amie Richards v. D&X Partnership et al (2020)
- 66 Skyline Urology v. Urology Associates Medical Group (2021)
- 67 Craig Berardi v. Impac Mortgage Holdings, Inc. et al (2021)
- 68 Smobile, Inc. v. Sony Interactive Entertainment, LLC (2022)
- 69 Wildcat Distributors, Inc. et al v. Mindey Morrison (2022)
- 70 Glam & Glits Nail Design, Inc. v. iGel Beauty, LLC et al (2022)
- 71 Maurice Arenson et al v. David Mandelbaum et al (2022)
- 72 Charlene Tang v. 829 Flower, LLC et al (2022)
- 73 Spin Green Contractors, Inc. v. Jewnjabi, Inc. et al (2022)
- 74 Art Architecture Books of the 21st Century v. Ace Gallery NY Corporation et al (2022)
- 75 Dr. Nina Yaftali v. Southern California Permanente Medical Group (2022)
- 76 A-dec, Inc. and A-dec Trading Company v. W&H Dentalwerk Bürmoos GMBH et al (2022)
- 77 Nancy Jaber and Abdalla Albazz v. SLZ Garden, INC., dba Gardena Buffet & Grill (2022)
- 78 San Juan Products, Inc. and American Environmental Container Corp. v. River Pools & Spas, Inc. et al (2022)
- 79 Mark R. Guzy and Shannon Guzy v. Timothy W. Nelson et al (2023)
- 80 Leila Taherkhani v. Zandi and Associates, LLC et al (2023)
- 81 DC Partners, Inc. DBA Soligen 2006 v. Eaton Areospace LLC et al (2023)
- 82 Mishael Family Trust of 2004 v. Simontov Eshaghian et al v. Hillcrest Center, LLC et al (2023)
- 83 Browne George Ross, LLP vs. Vahid Moradi and CJ Charles Jewelers (2023)
- 84 Schlomo Schmucl v. Caspar Management Group, LLC (2023)
- 85 Chris Ward v. Sergio Ramirez et al (2023)
- 86 Ziad Alhassen v. Tarek Alhassen et al (2023)
- 87 Douglas Amber v. BDMR Holdings LTD., Matthew Revich, and Jacob Djavaheeri (2023)
- 88 Wildcat Distributors, Inc. et al v. Mindey Morrison (2023)
- 89 Amazing Grace Movie, LLC v. Neon Rated, LLC and Tom Quinn (2023)
- 90 Laura Stephenson v. City of Menifee et al (2023)
- 91 Urawa Corporation Co., LTD. v. Kupa Incorporated (2023)
- 92 Libiano Construction, Inc. v. Park Western Housing, LP et al (2024)
- 93 Passport 420, LLC et al v. Starr Indemnity & Liability Company (2024)
- 94 Ziad Alhassen v. Tarek Alhassen et al (2024)

Involving Expert Testimony By

Jason A. Engel, CPA, CFE, CVA, CIRA, MAFF, ABV

- 95 Guven Uzun v. City of Santa Monica et al (2024)
- 96 Hospitality Marketing Concepts, LLC et al v. Peter Gorla (2024)
- 97 Mark L. Palmeri v. CEP America LLC et al (2024)
- 98 George Makridis v. Andrew Boulos et al (2024)
- 99 Credit Capital, LLC et al v. Mirko Jekanovic (2024)
- 100 Jack M. Nelson Jr. Living Trust Dated April 8, 2020: Mark Nelson v. Dorothy Nelson; Dorothy C. Nelson v. Mark Nelson as Personal Representative of Jack M. Nelson (2024)
- 101 Kourosh Dayan v. Daryoush Dayan (2024)
- 102 Jeffrey P. Perrotte v. Alice L. Boulton et al (2024)
- 103 C&M Investment Group, LTD. et al v. Harvey Champlin (2024)
- 104 Thomas O'Brien v. Bridgestone America's Tire Operations, LLC (2024)
- 105 Grant Robicheaux, M.D. v. Kasra Rowshan, M.D. et al (2025)

Exhibit 3

**Documents Reviewed And Considered
As of 2/25/2025**

Document	Entity	Years/Periods Received
<u>Agreements</u>		
Tenancy Agreement	Potato Corner WA, LLC; South Center Owner LLC	12/1/2023
Retail Center Lease Agreement	The Americana at Brand, LLC; Stefan Simsih	10/6/2011
Deed of Assignment	Cinco Corporation; Shakey's Pizza Asia Ventures LLC	2/23/2022
Master License Agreement	Potato Corner Global Company Limited, Hong Kong; NKM Capital Group LLC	4/28/2009
Joint Venture Agreement	Cinco Corporation; Amit Nemanim; Guy Koren; Amir Jacoby	Not Provided
First Amendment To The Joint Venture Agreement	Potato Corner International; Guy Koren; Amir Jacoby; Inbal Jacoby	10/17/2012
Trademark, Copyright, and Know-How License Agreement	PC JV LLC; Cinco Corporation	10/1/2010
<u>Financial Documents</u>		
Profit and Loss Statements	GK Cerritos LLC	2022 - 2024
Balance Sheet	GK Cerritos LLC	2022 - 2024
Profit and Loss Statements	HLK Milpitas LLC	2022 - 2024
Balance Sheet	HLK Milpitas LLC	2022 - 2024
Profit and Loss Statements	J&K Americana LLC	2022 - 2024
Balance Sheet	J&K Americana LLC	2022 - 2024
Profit and Loss Statements	J&K Lakewood LLC	2022 - 2024
Balance Sheet	J&K Lakewood LLC	2022 - 2024
Profit and Loss Statements	J&K Ontario, LLC	2022 - 2024
Balance Sheet	J&K Ontario, LLC	2022 - 2024
Profit and Loss Statements	J&K Valley Fair LLC	2022 - 2024
Balance Sheet	J&K Valley Fair LLC	2022 - 2024
Profit and Loss Statements	NKM Capital Group LLC	2022 - 2024
Balance Sheet	NKM Capital Group LLC	2022 - 2024
Profit and Loss Statements	PCIT Trading LLC	2022 - 2024
Balance Sheet	PCJV USA, LLC DBA Potato Corner	2023 - 2024
Statement of Operations and Members' Equity	PCJV USA, LLC DBA Potato Corner	2024
Profit and Loss Statements	GK Topanga LLC	2024
Franchise Disclosure Document - Financial Statements and Independent Auditors' Report	PCJV USA, LLC	2020 - 2022
Unaudited Interim Financial Statements	PCJV USA, LLC	1/1/2023 - 3/31/2023
Profit and Loss Statements	PCJV USA, LLC	2018 - 2023
Transaction Detail by Account	PCJV USA, LLC	2018 - 2023
Estimate Cost of Removal of Existing Signage	Potato Corner; Comfort Messers DBA MDR Builders LLC	11/18/2024
Franchises Sales Projections Schedule	Various	2021 - 2023

**Documents Reviewed And Considered
As of 2/25/2025**

Document	Entity	Years/Periods Received
<u>Legal Documents</u>		
Order Granting In Part and Denying in Part Motion to Dismiss and Motion for Preliminary Injunction	Shakey's Pizza Asia Ventures, Inc. (Plaintiff); PCJV USA, LLC (Defendants)	11/14/2024
Plaintiff's Opposition To PCJV USA, LLC's And PCI Trading LLC's Notice of and Emergency Ex Parte Application for Order to Show Cause Re: Preliminary Injunction And Temporary Restraining Order	Shakey's Pizza Asia Ventures, Inc. (Plaintiff); Various (Defendants)	9/24/2024
Declaration of Guy Koren	Shakey's Pizza Asia Ventures, Inc. (Plaintiff); Various (Defendants)	11/19/2024
Declaration of Barry Kurtz	Shakey's Pizza Asia Ventures, Inc. (Plaintiff); Various (Defendants)	11/19/2024
Declaration of Ashley Grudnowski	Shakey's Pizza Asia Ventures, Inc. (Plaintiff); Various (Defendants)	11/19/2024
Declaration of Adam Mandel	Shakey's Pizza Asia Ventures, Inc. (Plaintiff); Various (Defendants)	11/19/2024
Notice of Errata Re Exhibits To the Declaration of Guy Koren in Support of Ex Parte Application	Shakey's Pizza Asia Ventures, Inc. (Plaintiff); Various (Defendants)	11/20/2024
First Amended Complaint	Shakey's Pizza Asia Ventures, Inc. (Plaintiff); Various (Defendants)	11/22/2024
Declaration of Guy Koren with Additional Evidence in Support of the Court's Tentative Ruling Re: Preliminary Injunction	Cinco Corporation (Plaintiff); Guy Koren (Defendants)	6/6/2018
Declaration of Rada Kong	Shakey's Pizza Asia Ventures, Inc. (Plaintiff); Various (Defendants)	12/1/2024
<u>Letters</u>		
Letter Re: Notice of Electronic Filing	Shakey's Pizza Asia Ventures Inc; PCJV USA, LLC	11/20/2024
Letter Re: Notice of Termination of License - Effective Immediately	Guy Koren; PCJV USA, LLC; PCI Trading LLC	5/31/2024
Letter Re: Offer of Short - Term Temporary License During PCJV's Licensing Dispute with the Owners of Potato Corner	Shakey's Pizza Asia Ventures Inc.	11/22/2024
Letter Re: Cease & Desist - Unauthorized Use of Potato Corner Trade Secrets and Proprietary Information	Ervin Cohen & Jessup LLC	11/27/2024
Letter Re: Confidential Settlement Communication	Ervin Cohen & Jessup LLC; Arash Beral	5/4/2023
<u>Correspondence</u>		
Email Re: Attorney-Client Communication/ Work Product	Todd Malynn; Jason Engel; Brandon Engel	12/11/2024
Email Re: Potato Corner (PCJV) Historical Financial Information	Todd Malynn; Jason Engel; Brandon Engel	11/19/2024
Email Re: Mediation Questionnaire 2	Todd Malynn; Jason Engel; Brandon Engel	12/9/2024
<u>Other Documents</u>		
Adam Mandel, Job Descriptions and Responsibilities	Adam Mandel; Potato Corner USA	Not Provided
Joint Venture Operation Steps and Checklists PowerPoint Presentation	Cinco Corporation; Potato Corner U.S JV	October 2010
PCJV's Total Open Store Count Graph	Potato Corner JV, LLC	2010 - 2024

PROOF OF SERVICE

I am over the age of 18 and not a party to the within action; I am employed by BLANK ROME LLP in the County of Los Angeles, California at 2029 Century Park East, 6th Floor, Los Angeles, California 90067.

On February 28, 2025, I served the foregoing document(s) described as:

**FEDERAL RULE OF CIVIL PROCEDURE, RULE 26(A)(1)&(2)
DISCLOSURES OF DEFENDANTS, COUNTERCLAIMANTS, AND THIRD
PARTY PLAINTIFFS**

on the interested parties in this action as follows:

Kenneth P. Hsu
Ervin Cohen & Jessup LLP
9401 Wilshire Blvd., Twelfth Floor
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☒ **BY E-MAIL OR ELECTRONIC TRANSMISSION:** By electronically mailing a true and correct copy through Blank Rome LLP's electronic mail system from arash.beral@BlankRome.com to the email addresses set forth above.

☒ **FEDERAL** I declare under penalty of perjury under the laws of the United States of America that the above is true and correct.

Executed on February 28, 2025, at Los Angeles, California.

/s/ Arash Beral

Arash Beral